

OCHIL TOWER SCHOOL LIMITED

Scottish Charity No. SC 006091

Company No. SC 051098

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

**Reference and Administrative Details
For the Year ended 31 March 2021**

Company number: SC 051098

Charity number: SC 006091

Registered Office: 140 High Street, Auchterarder, Perthshire, PH3 1AD

Auditors James Anderson & Co, Pentland Estate, Straiton, Edinburgh, EH20 9QH.

Bankers: Clydesdale Bank, 117 High Street, Auchterarder, PH3 1AA

Solicitors: Kippen Campbell, 48 Tay Street, Perth, PH1 5TR.

Company secretary: J Cursiter

Trustees: The Trustees serving during the year and since the year end were as follows:

J Glass (Chair)
B McDonough
M Orr
C Tester (resigned 4 May 2020)
L Wray
S Ward MBE
L Alfred
S Lorimer

Executive Director J Cromarty (appointed 30 November 2020)
A Gibson (interim - appointed 12 July 2020, resigned 30 November 2020)
S Provan (resigned 12 July 2020)

Head of Care J Alexander

Head of Education M Puccianti

Report of the Trustees For the Year ended 31 March 2021

The Trustees who are also the Directors for the purposes of company law, present their annual report and financial statements of the charity for the year to 31 March 2021.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SoRP FRS102).

Objectives and Activities

Our mission at Ochil Tower is to create a community where children and young people feel a sense of belonging, support and personal growth; a place where there is an inclusive, lifelong learning culture with an integrated approach to wellbeing, education and care.

Ochil Tower offers residential and day places to children and young people with complex additional support needs. In response to their high level social and educational needs we have focused on creating imaginative and flexible approaches to developing self-esteem, confidence and an engagement in learning and achieving personally appropriate goals. This is facilitated by a flexible social pedagogical approach which combines care and education as mutually affecting arenas of lifelong learning.

Achievements and Performance

2020/21 was the third full financial year following the introduction of a new leadership and staffing structure at Ochil Tower. Although the transition to the new operating model was stalled by the impact of the Covid-19 pandemic, in this most challenging year, we have demonstrated that the staffing structure can be successful, whilst not compromising the specialist nature of the care and education at Ochil Tower. A review was undertaken in late 2020/21 to ascertain progress to date on the moves to the full staffing structure, planned changes to the provision delivery model and the financial impact of delays to delivery caused by the pandemic. This has informed planning for the next transition phase in 2021/22.

In spite of the current Covid-19 pandemic, during 2020/21 the staff and co-workers at Ochil Tower have continued to provide high quality services for our young people over the entirety of the year. As some of Scotland's most vulnerable children and young people, the majority of the pupils have been with us throughout, learning and living safely in 'house bubbles'. The highly committed and hard-working team has provided blended learning to support our young people who stayed at home during the lockdown periods. Colleagues have done a remarkable job in continuing to provide a broad range of activities and events. We have embraced learning in the outdoors, we have used ICT to share our learning and to come together to celebrate events throughout the year. We have received positive feedback from families, stakeholders and local authorities regarding our flexible and creative approaches. Colleagues and co-workers have demonstrated resilience, commitment and highly effective teamwork during this difficult period. The Board would like to commend all and to thank them for their continued contribution to Ochil Tower.

The Care Inspectorate (CI) resumed unannounced inspections as lockdown eased and Ochil Tower was inspected in June. We were pleased to have had one grade raised, this being in relation to the quality of care and support to the young people, a remarkable achievement by the dedicated staff team at Ochil Tower during the pandemic. We were challenged however by the staffing grade being lowered. The Care Inspectors fed back that this was primarily due to the level of staffing rather than quality and recognised the challenges of recruitment nationally over the last year or so. We developed our interim action plan to address the findings of the inspection. This was shared with the CI and the Board of Trustees.

Report of the Trustees For the Year ended 31 March 2021

Achievements and Performance Continued

To better meet the needs of the children and young people and families, following on from the introduction of the 43 week service in 2019/20, a 52 week service was planned for 2020/21 in direct response to interest from local authorities. Due to the disruption of the pandemic and the need to improve the designated accommodation, Belvidere House, the commencement of this service has been delayed until August 2021. Nevertheless the introduction of the 52 week service has been well-received with five young people looking forward to joining us full time in August. There is now potential to build on this increased demand for full time places. We are aware that we need to adapt once again in order to deliver 52 weeks of care for our young people. In the last quarter of 2020/21 we have been consulting colleagues on staffing models so that we are ready to introduce 52 week provision in 2021/22 and to develop this further in subsequent years.

Preliminary works required for the move to 52 week provision commenced in October 2020 with the upgrading works to Elmtree House ahead of the young people's relocation from Belvidere to allow building works to start in the latter. In February 2021 we applied for funding from Camphill Central Trust Scotland (CCST) to deliver the accommodation improvements required to Belvidere House to make it fit for the provision of the 52 week service over coming years. CCST committed to funding of £925,000 in March 2021. This allowed the project to commence with the appointment of the required external consultants in March. The Belvidere Refurbishment Project is now underway and is programmed for completion by Spring 2022.

Financial Review

The financial statements follow on pages 11 to 22.

Fee income in the year increased to £2,523,177 (2019/20: £2,464,305); expenditure also increased to £2,552,792 (2019/20: £2,398,209), resulting in a deficit on the Unrestricted fund of £16,408 (2019/20: £88,879 surplus). In addition there was further income and expenditure on the designated and restricted funds as shown in the Statement of Financial Activities on page 11. Further details of transfers between funds are provided in note 14 on page 19.

The Covid- 19 pandemic had a detrimental impact on our financial position in 2020/21. Nevertheless local authority placements have been maintained with new referrals continuing to be made. The financial impact of the pandemic will continue to be monitored throughout 2021/22.

Ochil Tower commenced preliminary planning on the coach house refurbishment and new school build project in 2017/18, achieving planning permission in May 2019. The programme for these works was due to commence in June 2020 however was disrupted by the pandemic. Trustees have decided to review the programme of works in 2021/22 to ensure the project remains fit for purpose in light of the future plans for Ochil Tower and the learning from the experience of delivering education and residential care through the pandemic. Assets under construction costs to date are shown at note 11 on page 18.

Reserves policy

The Trustees aim to build up sufficient free reserves to cover the company's running costs for a six-month period to ensure the continuity of service provision for the young people; this is equivalent to £1,276,396. Excluding fixed assets and funds designated for essential purposes, the free reserves available at 31 March 2021 are £1,021,897.

The financial review undertaken in late 2020/21 identified the need for further investment in staffing models and continuing professional development to underpin the planned move to 52 week provision. Thus, 2021/22 will be a further transition year for Ochil Tower as the staff group is expanded in preparation for new young people joining the 52 week provision.

Report of the Trustees For the Year ended 31 March 2021

Reserves policy Continued

The trustees are willing to temporarily fund the development costs through a planned deficit from reserves until these are delivering benefit as this is in the long term interest of the charity.

On 1 April 2021 the designated Benevolent Fund was closed and the balance redesignated as a new CPD Training fund.

Plans for Future Periods

In January 2021 we commenced discussion and consultation on the development of a new five year Strategic Plan. This Plan, for implementation over the period 2021 to 2026, will be considered by Trustees in June 2021. The Plan will provide a consistent and coherent overview of all our plans for the future in the different strands of delivery. The Plan will be underpinned by longer term financial projections which we will use to inform decision making to sustain the financial wellbeing of Ochil Tower. Following a review of fees for 2021/22 and in light of the further development of 52 week provision in response to demand, we will further develop longer term fee setting in 2021/22. The Reserves will be rebuilt over the period 2021-26.

The Integrated School Improvement Plan provides detail on the areas for improvement, using Education Scotland quality indicators and Care Inspectorate quality statements. We will continue to work in partnership with Education Scotland and the Care Inspectorate to develop the quality of our education and care services.

As noted above, in 2021/22 we will review the detailed plans to provide modern educational spaces with workshops to enhance our ability to provide excellent learning and development opportunities for our young people. On completion of this review, and supported by the development of a wider estates strategy, we will move ahead with our plans to improve the education accommodation.

As a result of the Covid-19 pandemic, we were required to produce a Recovery and Renewal Plan to guide us through the phases in line with Scottish Government guidance. We continue to review and adapt our procedures as necessary taking the latest guidance into account.

Structure Governance and Management

Governing Document

Ochil Tower School Limited is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 15 July 1972, amended 19 November 2012 and further amended on 19 May 2021. The liability of each member is limited to £5. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR).

Trustee induction and training

As part of their induction, new Trustees/Directors are briefed on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, and recent financial performance of the charity. Trustees/Directors are encouraged to attend appropriate external training events that assist with the development of their skills and understanding of their role and responsibilities.

Under the Articles, L Alfred, S Ward and S Lorimer will retire by rotation on 31 December 2021 and, being eligible, will offer themselves for re-election.

**Report of the Trustees
For the Year ended 31 March 2021****Structure Governance and Management Continued***Organisation*

The Board of Trustees/ Directors is responsible for ensuring that Ochil Tower meets its legal duties, for reviewing strategy, plans and policies, for protecting the people and assets, for carrying out financial overviews, for appointing the Senior Leadership Team and for supporting staff in considering more complex issues. The Senior Leadership Team is responsible for placement of pupils, the engagement and training of staff and the day to day running of the organisation. The Trustees/ Directors meet on approximately six occasions a year to monitor the strategic and operational functioning of the organisation. The Board sets up committees and short life working groups to consider specific projects. In 2020/21 the Board established a group to recruit to the Executive Director post, the Project Management group and the Pay Policy and Staffing group.

Our staff team and co-workers have continued to work hard and demonstrate creativity, innovation and flexible approaches to delivering high quality education and care services in a very difficult year. We are committed to providing colleagues and co-workers with training and development opportunities that continue to enhance their practice and the quality of our services. During 2020/21, as a result of the impact of the pandemic, we had to adapt the approach to continuing professional development. Whilst the team collectively and individually participated in an increased level of online learning, some of the face-to-face development opportunities were postponed. In 2021/22 we have reaffirmed our commitment to colleagues with increased investment of both time and funds for development.

As an organisation, we have responded quickly and effectively to the crisis situation in lockdown and adapted through the differing 'levels' of restrictions arising from the pandemic. We have carefully monitored the Scottish Government communications and have sought to comply with the requirements applied to children's residential care, schools and businesses as they have emerged. As a Board, we have a high level of confidence in our leadership and management team to address the future challenges that this pandemic may present.

Key Management Remuneration Policy

The key management of the charity comprises the Executive Director, Head of Care and Head of Education. Salaries are set each year with regard to equivalent positions in similar organisations.

Our Chief Executive Officer, Stuart Provan, left in July 2020 after steering us through a complex transitional phase, putting in place a foundation for our planned future developments. Anne Gibson was interim Chief Executive from June to December. Judy Cromarty was appointed as Executive Director from November 2020. We are indebted to the Head of Education and the Head of Care for their consistent leadership in a year of change and through the pandemic.

**Report of the Trustees
For the Year ended 31 March 2021***Risk Management*

At a risk review session in April 2021, the Board identified and addressed the principal risks and uncertainties facing our charity as follows:

1. Impact of Covid 19

Scottish Government and NHS health requirements and guidance are closely monitored and acted upon. The Senior Leadership Team monitors all aspects of proactive control on a weekly basis. Full reviews of controls take place as each 'level' of restrictions is changed.

2. Financial loss arising from low occupancy or inadequate financial controls.

The planned move to 52 week provision will be implemented in 2021 thus better meeting need and responding to the change in referral pattern over recent years. The Board has approved a planned deficit in 2021/22 to enable the necessary investment in staffing models and CPD to be undertaken ahead of new 52 week referrals. The Board approves the annual budget and receives quarterly updates on the financial position and they and the Senior Leadership Team are supported by professional advisors.

3. Failure to comply with legislation, regulations, standards & guidance for care and education of pupils.

From late 2020 a series of reviews of compliance across all areas of legislation has commenced including employment practice, governance, health and safety, education delivery. This review will continue through 2021/22 with regular reports to the Board on the findings and remedial action taken as required.

The Board regularly reviews all of the risks to which the charity is exposed and the procedures in place to manage these risks. This process is being reviewed in 2021/22.

Statement of Trustees Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors/trustees to prepare financial statements for each financial year. Under that law the directors/trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors/trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements the directors/trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Observe the methods and principles in the Charities Statement of Recommended Practice.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

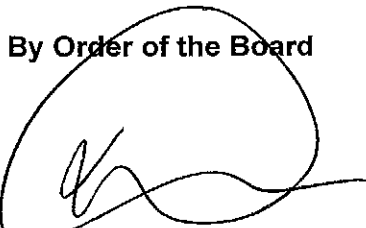
**Report of the Trustees
For the Year ended 31 March 2021**

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each of the persons who are trustees at the time when the Trustees' report is approved:

- So far as the trustee is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- Each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board



**J Glass
Chair**

7 October 2021

Opinion

We have audited the financial statements of Ochil Tower School Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its sector, we identified that specific risks may arise from non-compliance with laws and regulations regarding protection of children and young people with additional support needs, educational standards, health and safety, employment law, company law and charity law. We performed specific procedures on these areas as follows:

- Review of minutes and enquiry with senior management and directors for any known or suspected non-compliance;
- Review of reports issued by external regulators e.g. Education Scotland and the Care Inspectorate;
- Enquiry with professional advisors, in the event that any potential non-compliance was identified;
- Obtaining an understanding of how internal controls are operated;
- Testing journal entries and other adjustments for any evidence of management override;
- Reviewing management estimates, assumptions and statements for any evidence of bias;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

James Anderson & Co

Mark Ferguson (Senior Statutory Auditor)
for and behalf of James Anderson & Co, Statutory Auditors, Pentland Estate, Straiton, EH20 9QH

James Anderson & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

12 October 2021

Statement of Financial Activities
(Incorporating Income & Expenditure Account)
For the Year ended 31 March 2021

	Notes	Total Unrestricted Funds		Restricted Funds	Total 2021	Total 2020
		Unrestricted Fund	Designated Funds	Funds		
		£	£	£	£	£
Income from:						
Donations	3	-	1,602	931,797	933,399	8,933
Charitable activities						
- Fees and allowances	4	2,523,177	830	-	2,524,007	2,468,455
Investments	5	-	3,110	-	3,110	5,759
Other income	6	13,207	-	-	13,207	13,860
Total income		2,536,384	5,542	931,797	3,473,723	2,497,007
Expenditure on:						
Raising funds	7	2,860	-	-	2,860	1,530
Charitable activities						
- Cost of charitable activities	8	2,549,932	46,802	6,797	2,603,531	2,411,968
- Depreciation	9	-	42,861	30,965	73,826	82,267
Total expenditure		2,552,792	89,663	37,762	2,680,217	2,495,765
Net (expenditure) / income	9	(16,408)	(84,121)	894,035	793,506	1,242
Transfers between funds	14	-	-	-	-	-
Net movement in funds		(16,408)	(84,121)	894,035	793,506	1,242
Reconciliation of funds						
Balances 31 March 2020		518,299	1,393,537	592,595	2,504,431	2,503,189
Balances 31 March 2021	14	501,891	1,309,416	1,486,630	3,297,937	2,504,431

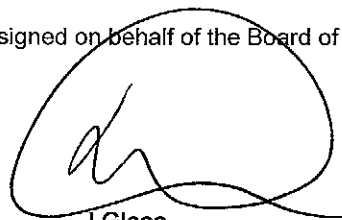
The results set out in the income and expenditure account above derive wholly from the continuing operations of the company.

Balance Sheet
As at 31 March 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	11	<u>1,151,477</u>	<u>1,195,009</u>
Current Assets			
Debtors	12	1,310,933	566,970
Cash at bank		<u>942,991</u>	<u>826,388</u>
		<u>2,253,924</u>	<u>1,393,358</u>
Creditors			
Amounts falling due within one year	13	<u>107,464</u>	<u>83,936</u>
Net Current Assets		<u>2,146,460</u>	<u>1,309,422</u>
Net Assets		<u>3,297,937</u>	<u>2,504,431</u>
Capital and Reserves			
Unrestricted Fund	14	501,891	518,299
Designated Funds	14	<u>1,309,416</u>	<u>1,393,537</u>
Total unrestricted funds		<u>1,811,307</u>	<u>1,911,836</u>
Restricted Funds	14	<u>1,486,630</u>	<u>592,595</u>
Total Funds		<u>3,297,937</u>	<u>2,504,431</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with Charities SoRP FRS102.

The financial statements on pages 11 to 22 were approved by and signed on behalf of the Board of Trustees on 7 October 2021.



J Glass

Trustee

Statement of Cash Flows
For the Year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	143,786	(145,334)
Net cash provided by operating activities		<u>143,786</u>	<u>(145,334)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(61,493)	(143,616)
Sale of tangible assets		31,200	1,500
Investment income		3,110	5,759
Net cash used for investing activities		<u>(27,183)</u>	<u>(136,357)</u>
Net increase / (decrease) in cash and cash equivalents		116,603	(281,691)
Cash and cash equivalents at 31 March 2020		<u>826,388</u>	<u>1,108,079</u>
Cash and cash equivalents at 31 March 2021		<u>942,991</u>	<u>826,388</u>

Note to Cash Flow Statement

1. Reconciliation of net income to net cash flow from operating activities

Net income	793,506	1,242
Depreciation charges	83,100	82,574
Gain on disposal of fixed assets	(9,274)	(307)
Investment income	(3,110)	(5,759)
	<u>864,222</u>	<u>77,750</u>
(Increase) in debtors	(743,963)	(192,864)
Increase / (decrease) in creditors	23,527	(30,220)
Net cash provided by operating activities	<u>143,786</u>	<u>(145,334)</u>

**Notes to the Financial Statements
For the Year ended 31 March 2021****1. Statutory information**

Ochil Tower School Limited is a private company, limited by guarantee with charitable status and registered in Scotland. The company's registration number and registered office address can be found on the Reference and Administrative Details page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Ochil Tower School Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Fund accounting

Unrestricted funds can be used on any activity within the charitable objectives of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to use for a specific purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is in note 14 to the financial statements.

Income

Income is attributable to the one continuing activity, which is the provision of education and residential care for young people with additional support needs.

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

The charity receives fees for the provision of education and residential care. Fee income is recognised when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Donations and grants are recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Interest receivable on loans is recognised as it becomes due under the terms of the loan agreement.

**Notes to the Financial Statements
For the Year ended 31 March 2021**

2. Accounting policies continued

Donated services

In accordance with the Charities SoRP (FRS102) general volunteer time is not recognised in the accounts.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Tangible fixed assets and depreciation

Expenditure is capitalised as a fixed asset where it represents either a new asset or an enhancement to an existing asset. Depreciation is provided at the following annual rates and charged to either the designated Capital Fund or the appropriate restricted fund in order to write off each asset over its expected useful life less estimated residual value.

Tenant's improvements	Over the remaining term of the lease which expires in 2038
Furniture & equipment	12.5% and 25% straight line
Motor vehicles	25% reducing balance
Computer equipment	25% straight line

Assets in the course of construction

Contracted expenditure is initially included at cost as Assets Under Construction. On completion assets are transferred to Tenant's Improvements and once operational depreciated over the remaining period of the lease.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash in bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Pensions

The company operates a defined contribution scheme. Contributions are charged to the Income and Expenditure Account in the year they arise.

Discretionary Benevolent Fund

The company makes provision for future discretionary benevolent payments to its co-workers. The contributions in the year are charged to the Income and Expenditure Account.

Taxation

No provision for corporation tax is necessary as the company has charitable status and does not trade. The company suffers input VAT on some of its expenditure which it does not recover.

Operating leases

Rentals payable under operating leases are charged to expenditure on a straight line basis over the period of the lease.

Notes to the Financial Statements
For the Year ended 31 March 2021

	2021 £	2020 £
3. Donations and legacies		
<i>General Fund (designated)</i>		
Miller Hendry	400	400
Mr & Mrs Davidson	986	-
Other donations	216	2,297
	<u>1,602</u>	<u>2,697</u>
 <i>Co-worker Fund (restricted)</i>		
Freunde der Erziehungskunst Rudolf Steiners	6,797	6,236
 <i>Belvidere Refurbishment Fund (restricted)</i>		
Camphill Central Scotland Trust Limited	925,000	-
	<u>931,797</u>	<u>6,236</u>
 Total donations	<u>933,399</u>	<u>8,933</u>
 4. Income from charitable activities		
Fees (<i>Unrestricted Fund</i>)	2,523,177	2,464,305
White House Fund (<i>designated</i>)	830	4,150
	<u>2,524,007</u>	<u>2,468,455</u>
 5. Income from investments		
Interest receivable (<i>Unrestricted Fund</i>)	-	2,187
Interest receivable (<i>designated General Fund</i>)	3,110	3,072
Proceeds from sale of investments (<i>Unrestricted Fund</i>)	-	500
	<u>3,110</u>	<u>5,759</u>
 6. Other income		
Rental income (<i>Unrestricted Fund</i>)	10,440	11,200
Sundry income (<i>Unrestricted Fund</i>)	2,767	2,660
	<u>13,207</u>	<u>13,860</u>
 7. Expenditure on raising funds		
Fundraising costs (<i>Unrestricted Fund</i>)	2,860	-
Website development costs (<i>Unrestricted Fund</i>)	-	1,530
	<u>-</u>	<u>1,530</u>

Notes to the Financial Statements
For the Year ended 31 March 2021

	2021 £	2020 £
8. Cost of Charitable Activities		
<i>Unrestricted Fund</i>		
Salaries & national insurance	1,483,355	1,364,464
Staff pension costs	81,737	71,680
Agency, recruitment & consultancy fees	101,831	69,425
Co-worker costs	48,080	60,905
Training costs	7,291	16,881
Rent	342,450	334,100
Office & telephone	45,016	50,954
Camphill Scotland subscription	14,831	14,684
Provisions	87,804	94,816
Education & therapy	22,873	26,325
Medical	456	363
Heat & light	47,121	43,928
Household & laundry	58,772	56,011
Repairs & renewals	93,555	85,215
Motor & travel expenses	22,033	22,670
Water, rates, insurance & local taxes	52,639	47,698
Garden & estate	26,763	12,547
Bank interest & charges	397	435
Audit fee	9,330	9,060
Accounting & secretarial services	3,465	6,631
Professional fees	-	1,500
Trustees' travel	133	151
	<u>2,549,932</u>	<u>2,390,443</u>
<i>Benevolent Fund (designated)</i>		
Payments for beneficiaries	10,000	10,000
<i>White House Fund (designated)</i>		
Maintenance costs	2,419	5,289
<i>Maintenance Fund (designated)</i>		
Belvidere maintenance costs	34,383	-
	<u>46,802</u>	<u>15,289</u>
<i>Co-worker Fund (restricted)</i>		
Co-worker costs	6,797	6,236
	<u>6,797</u>	<u>6,236</u>
Total cost of charitable activities	<u>2,603,531</u>	<u>2,411,968</u>
9. Operating Surplus (net income)		
This operating surplus is stated after charging / (crediting):		
Depreciation (<i>designated Capital Fund</i>)	52,135	51,609
Gain on disposal of fixed assets (<i>designated Capital Fund</i>)	(9,274)	(307)
Depreciation (<i>Restricted Life Skills Centre Fund</i>)	30,965	30,965
Audit fee (<i>Unrestricted Fund</i>)	9,330	9,060
	<u>83,156</u>	<u>81,327</u>

Notes to the Financial Statements
For the Year ended 31 March 2021

	2021 £	2020 £
10. Staff Costs		
Wages & salaries	1,363,023	1,255,333
Social security costs	120,332	109,131
Pension costs	81,737	71,680
	<u>1,565,092</u>	<u>1,436,144</u>

The average weekly number of employees during the year was:

	Number	Number
Administration	4	5
School	56	46
	<u>60</u>	<u>51</u>
Co-workers	15	14
	<u>75</u>	<u>65</u>

The number of employees whose total employee benefits (excluding employer pension costs) fell within the banding £60,000 to £70,000 was nil (2020 - one). In addition to salaried members of staff Ochil Tower School attracts volunteer workers from all over the world who provide friendship and care to residents. These volunteers, who are known as Co-workers, live at Ochil Tower School and help foster a strong & distinctive community spirit. Payments to Co-workers are shown in note 8.

The key management personnel of the charity comprised the Executive Director, Head of Education, and Head of Care. Their total benefits were £224,489 (2020: £181,950).

11. Tangible fixed assets

	Tenant's Improvements £	Assets Under Construction £	Furniture & Equipment £	Motor Vehicles £	Computer Equipment £	Total £
Cost						
At 31 March 2020	1,273,023	-	39,035	114,495	-	1,426,553
Transfers	(54,048)	54,048	-	-	-	-
Additions	-	-	-	53,243	8,250	61,493
Disposals	-	-	(19,961)	(58,293)	-	(78,254)
As at 31 March 2021	<u>1,218,975</u>	<u>54,048</u>	<u>19,074</u>	<u>109,445</u>	<u>8,250</u>	<u>1,409,792</u>
Depreciation						
As at 31 March 2020	126,606	-	28,236	76,702	-	231,544
Charge for year	60,687	-	4,305	18,108	-	83,100
Written back on disposals	-	-	(19,961)	(36,368)	-	(56,329)
As at 31 March 2021	<u>187,293</u>	<u>-</u>	<u>12,580</u>	<u>58,442</u>	<u>-</u>	<u>258,315</u>
Net book value						
At 31 March 2021	1,031,682	54,048	6,494	51,003	8,250	1,151,477
At 31 March 2020	<u>1,146,417</u>	<u>-</u>	<u>10,799</u>	<u>37,793</u>	<u>-</u>	<u>1,195,009</u>

Assets under construction relates to preliminary expenditure to date on the construction of a new school building.

Notes to the Financial Statements
For the Year ended 31 March 2021

	2021 £	2020 £
12. Debtors		
Trade debtors	267,130	432,595
Prepayments	14,831	31,303
Loans	100,000	100,000
Other debtors	928,972	3,072
	<u>1,310,933</u>	<u>566,970</u>

Loans totalling £100,000 have been made to Camphill Central Scotland Trust Limited, the owners of the Ochil Tower property. The loans are repayable at three months notice and interest is charged at an agreed rate during the year.

13. Creditors - Amounts falling due within one year

Trade creditors	44,618	9,239
Accruals	33,744	44,082
Other taxation & social security	-	30,615
Deferred income	29,102	-
	<u>107,464</u>	<u>83,936</u>

Deferred income represents fee income received in advance of the delivery of contractual services. This will be released to income in the year to 31 March 2022.

14. Statement of funds

	As at 31 March 2020 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2021 £
Current Year					
Unrestricted Fund	518,299	2,536,384	(2,552,792)	-	501,891
<i>Designated Funds</i>					
Asset Replacement Fund	68,358	-	-	(30,293)	38,065
Benevolent Fund	70,910	-	(10,000)	-	60,910
Capital Fund	637,627	-	(42,861)	30,293	625,059
Development Fund	164,351	-	-	-	164,351
General Fund	196,221	4,712	-	(519)	200,414
Maintenance Fund	255,000	-	(34,383)	-	220,617
White House Fund	1,070	830	(2,419)	519	-
	<u>1,393,537</u>	<u>5,542</u>	<u>(89,663)</u>	<u>-</u>	<u>1,309,416</u>
Total unrestricted funds	1,911,836	2,541,926	(2,642,455)	-	1,811,307
<i>Restricted Funds</i>					
Co-worker Fund	-	6,797	(6,797)	-	-
Life Skills Centre Fund	592,595	-	(30,965)	-	561,630
Belvidere Refurbishment Fund	-	925,000	-	-	925,000
Total restricted funds	592,595	931,797	(37,762)	-	1,486,630
Total funds	<u>2,504,431</u>	<u>3,473,723</u>	<u>(2,680,217)</u>	<u>-</u>	<u>3,297,937</u>

Transfers between funds

The following transfers were made during the year:

Designated General Fund to White House Fund - £519 to cover the deficit.

Asset Replacement Fund to Capital Fund - £30,293 to match the net value of equipment and vehicle additions.

Notes to the Financial Statements
For the Year ended 31 March 2021

14. Statement of funds continued

	As at 31 March 2019 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2020 £
<i>Previous Year</i>					
Unrestricted Fund	453,420	2,480,852	(2,391,973)	(24,000)	518,299
<i>Designated Funds</i>					
Asset Replacement Fund	91,013	-	-	(22,655)	68,358
Benevolent Fund	80,910	-	(10,000)	-	70,910
Capital Fund	555,356	-	(51,302)	133,573	637,627
Development Fund	251,269	-	-	(86,918)	164,351
General Fund	190,452	5,769	-	-	196,221
Maintenance Fund	255,000	-	-	-	255,000
White House Fund	2,209	4,150	(5,289)	-	1,070
	1,426,209	9,919	(66,591)	24,000	1,393,537
Total unrestricted funds	1,879,629	2,497,007	(2,464,800)	-	1,911,836
<i>Restricted Funds</i>					
Co-worker Fund	-	6,236	(6,236)	-	-
Life Skills Centre Fund	623,560	-	(30,965)	-	592,595
	623,560	6,236	(37,201)	-	592,595
Total funds	2,503,189	2,503,243	(2,502,001)	-	2,504,431

Transfers between funds

The following transfers were made during the year:

Unrestricted Fund to Asset Replacement Fund - £24,000 to provide for future replacements.
Asset Replacement Fund to Capital Fund - £46,655 to match the net value of equipment and vehicle additions.
Development Fund to the Capital Fund - £32,870 to match the expenditure on the Priory refurbishment.
Development Fund to the Capital Fund - £54,048 to match the expenditure on the new School Building project.

The **Unrestricted** fund represents the unrestricted funds which the charity is free to use in accordance with its charitable objectives.

The **Designated** funds are unrestricted funds set aside by the Trustees for particular purposes of the charity:

- Asset Replacement Fund represents funds set aside for the future purchase of fixed assets.
- Benevolent Fund represents funds set aside to provide for co-workers.
- Capital Fund represents expenditure on the tangible fixed assets less depreciation charged.
- Development Fund represents funds required for necessary upgrade work on the school properties.
- General Fund represents donations and interest received less expenditure not normally met out of fee income.
- Maintenance Fund represents funds set aside to provide for major property refurbishment expenditure.
- White House Fund represents the funds set aside for expenses of running a short stay property.

The **Restricted** funds are funds given to the charity for a specific purpose:

- Co-worker Fund represents contributions towards co-worker costs.
- Life Skills Centre Fund represents funds received towards the construction of the Life Skills Centre less depreciation charged.
- Belvidere Refurbishment Fund represents funds received towards the refurbishment of Belvidere.

Notes to the Financial Statements
For the Year ended 31 March 2021

15. Analysis of Net Assets between Funds

<i>Current Year</i>	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted Fund	-	501,891	501,891
<i>Designated Funds</i>			
Asset Replacement Fund	-	38,065	38,065
Benevolent Fund	-	60,910	60,910
Capital Fund	625,061	(2)	625,059
Development Fund	-	164,351	164,351
General Fund	-	200,414	200,414
Maintenance Fund	-	220,617	220,617
White House Fund	-	-	-
	<u>625,061</u>	<u>684,355</u>	<u>1,309,416</u>
Total unrestricted funds	<u>625,061</u>	<u>1,186,246</u>	<u>1,811,307</u>
<i>Restricted Funds</i>			
Co-worker Fund	-	-	-
Life Skills Centre Fund	526,416	35,214	561,630
Belvidere Refurbishment Fund	-	925,000	925,000
	<u>526,416</u>	<u>960,214</u>	<u>1,486,630</u>
Total as at 31 March 2021	<u>1,151,477</u>	<u>2,146,460</u>	<u>3,297,937</u>
<i>Previous Year</i>	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted Fund	-	518,299	518,299
<i>Designated Funds</i>			
Asset Replacement Fund	-	68,358	68,358
Benevolent Fund	-	70,910	70,910
Capital Fund	659,999	(22,372)	637,627
Development Fund	-	164,351	164,351
General Fund	-	196,221	196,221
Maintenance Fund	-	255,000	255,000
White House Fund	-	1,070	1,070
	<u>659,999</u>	<u>733,538</u>	<u>1,393,537</u>
Total unrestricted funds	<u>659,999</u>	<u>1,251,837</u>	<u>1,911,836</u>
<i>Restricted Funds</i>			
Co-worker fund	-	-	-
Life Skills Centre Fund	535,010	57,585	592,595
Total as at 31 March 2020	<u>1,195,009</u>	<u>1,309,422</u>	<u>2,504,431</u>

**Notes to the Financial Statements
For the Year ended 31 March 2021**

16. Pension Costs

The charity operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £81,737 (2020: £71,680). Pension contributions were made in respect of 62 (2020: 47) members of staff. The outstanding contributions due as at 31 March 2021 were £10,876 (2020 - £9,885).

17. Operating leases

The total minimum future lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
	Property	
Within one year	351,014	342,450
In the second to fifth years inclusive	1,404,056	1,369,800
After five years	4,212,168	4,451,850
	<u>5,967,238</u>	<u>6,164,100</u>

The property is leased from Camphill Central Scotland Trust until 31 March 2038. Lease payments totalling £342,450 (2020 - £334,100) were recognised as an expense in the year.

18. Related Parties

The amount reimbursed for travel expenses during the year was £nil (2020: £151 in respect of one Trustee). No Trustee received any remuneration for their services as a Trustee during the year.

During the year the charity paid fees of £600 (2020: £600) on a normal commercial basis to Trustee Margaret Orr for staff mentoring services. The amount outstanding at 31 March 2021 was £nil (2020: £nil).

Rent of £342,450 (2020 - £334,100) was paid to Camphill Central Scotland Trust Limited, a charity over which Ochil Tower School Limited has significant influence. Camphill Central Scotland Trust Limited advised a donation of £925,000 (2020 - £nil) and paid loan interest £3,110 (2020 - £3,033) to Ochil Tower School Limited. The loan balance receivable by Ochil Tower School Limited at 31 March 2021 was £100,000 (2020 - £100,000) and the grant receivable was £925,000 (2020 - £nil) with further details provided in note 12.